

MARICOPA COUNTY BOARD OF SUPERVISORS MINUTE BOOK

**INFORMAL SESSION
May 15, 2006**

The Board of Supervisors of Maricopa County Arizona convened in Informal Session at 9:00 a.m., May 15, 2006, in the Board of Supervisors' Conference Room, 301 W. Jefferson, Phoenix, Arizona, with the following members present: Don Stapley, Chairman, District 2; Fulton Brock, Vice Chairman, District 1; Andrew Kunasek, District 3; Max W. Wilson, District 4, and Mary Rose Wilcox, District 5. Also present: Fran McCarroll, Clerk of the Board; Shirley Million, Administrative Coordinator; David Smith, County Manager; Chris Keller, Chief Counsel. Votes of the Members will be recorded as follows: aye-nay-absent-abstain.

FY 2006-07 RECOMMENDED TENTATIVE BUDGET

Item: Presentation of the FY 2006-07 Maricopa County recommended tentative budget. (C4906047800) (ADM1802)

David Smith, County Manager
Sandi Wilson, Deputy County Manager
Chris Bradley, Deputy Budget Director
Brian Hushek, Deputy Budget Director
LeeAnn Bohn, Budget Administrator

David Smith said he believed this tentative budget is sound and reasonable. The result of many months work by OMB staff members, there are five points he asked the Board to concentrate on prior to drawing up the final budget.

- Employee Compensation issue of overpaying vs. underpaying, a constant process of re-evaluation and study.
- Criminal Justice's new initiatives to reduce the number of adults and juveniles in the County system.
- Capital expenditures – downtown, regional, parks and other projects
- Non-profit contributions, relating to the changing needs of the community
- Recent 2% cap on tax levies for Special Districts

With regards to the latter item, Mr. Smith said, "Spending can only happen if you have the revenues and the Board has chosen to have the fiscal discipline to impose caps on the levies for all of the secondaries." He said that revenue is still expected to increase, to some degree in each district.

Sandi Wilson said the tentative budget is slightly over \$2 billion (\$2,128,348,396). She reported that revenues will be stronger than normal and there are also a number of new and expanded programs in this budget. Employee compensation issues are a continuing concern, property tax rates both for the County and the secondary districts are lower, and there are funding needs for new capital infrastructure that need to be addressed. She felt that the County's strong, fiscally-sound budgeting process meets the needs of the growth being experienced while still keeping the tax rates low.

The Strategic Plan for Maricopa County was revised in April 2005. That plan and the new Mission Statement are being followed in the budgeting process. Ms. Wilson said the budget guidelines used to develop this budget were approved by the Board on December 5, 2005. Topics addressed by Ms. Wilson, Chris Bradley and Brian Hushek included the following:

- Property tax rates, the tax rate trend, rate reduction impact, rate comparisons with other counties
- Population growth comparison
- Sources of funds
- State shared sales tax trend

- Vehicle license tax trend
- Uses of Funds
- Mandated vs. non-mandated expenditures
- Constitutional limit vs. TNT limit
- Health Services
- Health care mandates
- ALTCS Contributions
- AHCCCS Acute Contribution
- Criminal Justice
- Crime Prevention Grants
- Methamphetamine Initiatives
- Sheriff's Patrol, investigations and apprehensions
- Average Daily Adult Jail Population
- Jail Diversion and treatment
- Adult and juvenile Intensive Probation case load and related topics
- Superior Court criminal case load and court related topics
- Establishment of additional night courts downtown and in outlying areas
- Employee compensation and benefits
- Regional schools funding and performance
- Community services
- Parks and recreation
- Regional development services
- Other elected offices
- Capital Improvements
- CIP by fund
- Project completion in FY2006
- Continuing projects
- Unfunded projects
- County capital projects
- Confusion, steps to finalization and the budget calendar
- Special districts
- Flood, Library and Stadium Districts

Chairman Stapley asked if there were any general areas of interest shared with the State that should be under discussion during the next fiscal year. Ms. Wilson replied there were two; the state shared revenue funds that are often impacted by legislative actions and the fact the State still pays half of the salary for Superior Court judges.

Supervisor Wilson asked LeeAnn Bohn what the inflation average has been. She replied that inflation averaged approximately 2.4% over the past year.

Supervisor Brock mentioned the outstanding job Maricopa County leadership and employees are doing to bring high quality services to citizens living in the County. He pointed out some things that have earned local and national recognition for practices and results that enhance the quality of life for everyone from jail inmates to school children and families. He also commented on the partnership with private enterprise to produce noteworthy community achievements like the Homeless Campus.

**INFORMAL SESSION
May 15, 2006**

Supervisor Brock asked David Smith about the length of time an average inmate is incarcerated and the corresponding charges. Mr. Smith said that when the master plans were done for the new jails one criteria designated for successful financial success was to hold incarceration to 22 days, "but this hasn't happened" and it is now up to 28 days with correspondingly increased expenses. He termed this as a major concern. He said that judges are now more carefully analyzing data on the ever-increasing caseloads and the system is beginning to react and stabilize. A real-time management information system that will give hourly updates from the courtrooms to the jails is being perfected and should result in more timely release and transfer practices for prisoners.

Supervisor Brock also asked which County departments have failed to return their projected budgets to OMB and why. Sandi Wilson said there are only two elected officials who have not reached an agreement, Superintendent of Schools Sandra Dowling and County Attorney Andrew Thomas. Supervisor Wilcox asked what the outstanding issue was with Andrew Thomas. Ms. Wilson replied there were "a number of RIR's (Results Initiative Request) issues with them, such as the one mentioned earlier on Methamphetamine, and a couple of issues related to the baseline budget as well." Supervisor Wilcox asked when agreement on the County Attorney's budget could be expected. Ms. Wilson said they have been meeting with them several times a week and she hoped this would be resolved before the final budget is submitted for Board consideration.

EXECUTIVE SESSION CALLED

Motion was made by Supervisor Brock, seconded by Supervisor Kunasek, and unanimously carried (4-0-1) to recess and reconvene in Executive Session in the Tom Sullivan Conference Room to consider items listed on the Executive Agenda dated May 15, 2006, pursuant to listed statutory authority, as follows.

LEGAL ADVICE; PENDING OR CONTEMPLATED LITIGATION – ARS §38-431.03(A)(3) and (A)(4)

1. **Compromise Cases** – Barbara Caldwell, Outside Counsel
Campos, Tomas and Maria
Rodriquez, Lisa
Sanchez, Cynthia
Zabala, Mary

SETTLEMENT DISCUSSIONS CONDUCTED IN ORDER TO AVOID OR RESOLVE LITIGATION – ARS §38-431.03(A)(4)

2. **Gene Carroll Davis v. Allstate Rent-A-Fence, Inc.**
Maricopa County Superior Court Cause No. CV2004-022049
Gary Fadell, Outside Counsel
Maria Brandon, Deputy County Attorney
Richard Stewart, Deputy County Attorney
Peter Crowley, Risk Manager

PENDING OR CONTEMPLATED LITIGATION; SETTLEMENT DISCUSSIONS CONDUCTED IN ORDER TO AVOID OR RESOLVE LITIGATION – ARS §38-431.03(A)(4)

3. **Southwest Gas Corp. v. Arizona Department of Revenue, Maricopa County, et al.**
Case Nos. TX2001-000473; TX2002-000567; TX2003-000009; TX2003-000365; and TX2004-000998 (Consolidated)
Jean Rice, Deputy County Attorney

MARICOPA COUNTY BOARD OF SUPERVISORS MINUTE BOOK

**INFORMAL SESSION
May 15, 2006**

Jerry A. Fries, Outside Counsel

LEGAL ADVICE; PENDING OR CONTEMPLATED LITIGATION; CONTRACTS SUBJECT TO NEGOTIATION; SETTLEMENT DISCUSSIONS CONDUCTED IN ORDER TO AVOID OR RESOLVE LITIGATION – ARS §38-431.03(A)(3) and (A)(4)

4. Potential IGA for Fire Service to County Islands in Gilbert, relating to Town of Gilbert v. Maricopa County Board of Supervisors

Gary Lassen, Outside Counsel
Kevin Costello, Deputy County Attorney

LEGAL ADVICE; CONTRACTS SUBJECT TO NEGOTIATION – ARS §38-431.03 (A)(3) and (A)(4)

5. IGA with City of Chandler for fire service to county islands

Richard Bohan, Legislative Liaison
Kevin Costello, Deputy County Attorney

LEGAL ADVICE; SETTLEMENT DISCUSSIONS CONDUCTED IN ORDER TO AVOID OR RESOLVE LITIGATION – ARS §38-431.03(A)(3) and (A)(4)

6. Kenney Enterprises, Inc. d.b.a. Golfland Entertainment Centers, Inc. v. Maricopa County

Bill Scalzo, Director Parks and Recreation
Tom Timmons, Contract Administrator, Parks and Recreation
Kevin Costello, Deputy County Attorney

LEGAL ADVICE – ARS §38-431.03(A)(3)

7. Avondale City Center/Southwest Regional Center

Tom Manos, Chief Financial Officer
Dennis Lindsey, Manager, Real Estate Services
William Riske, Deputy County Attorney
Chris Bradley, Deputy Budget Director
Heidi Birch, Principal Capital Facilities Development
Steve Conner, Director, Facilities Management
Hugh Gallagher, Deputy Court Administrator
Marcus Reinkensmeyer, Judicial Branch Administrator

PURCHASE, SALE OR LEASE OF REAL PROPERTY – ARS §38-431.03 (A)(7)

8. Consideration to dispose of the Mesa Adult Probation Office

Tom Manos, Chief Financial Officer
Dennis Lindsey, Manager, Real Estate Services
William Riske, Deputy County Attorney

LEGAL ADVICE; PENDING OR CONTEMPLATED LITIGATION; CONTRACTS SUBJECT TO NEGOTIATION – ARS §38-431.03(A)(3) AND (A)(4)

MARICOPA COUNTY BOARD OF SUPERVISORS MINUTE BOOK

**INFORMAL SESSION
May 15, 2006**

9. Advice regarding legal issues and options concerning County Regional School District/Accommodations School funding, management and audit issues.

Chris Keller, Chief Counsel, Civil Division
Sandi Wilson, Deputy County Manager
Bruce White, Deputy County Attorney
Brian Hushek, Deputy Budget Director
Shelby Scharbach, Deputy Finance Director
Dean Wolcott, Outside Counsel
Tom Manos, Chief Financial Officer
Ross Tate, County Auditor
Tom Irvine, Outside Counsel
Fred Rosenfeld, Outside Counsel
LeeAnn Bohn, Budget Manager

LEGAL ADVICE; CONTRACTS SUBJECT TO NEGOTIATION – ARS §38-431.03(A)(3) and (A)(4)

10. IGA between Maricopa County and the Maricopa County Regional School District #509 regarding school operations and financing.

Chris Keller, Chief Counsel, Civil Division
Sandi Wilson, Deputy County Manager
Bruce White, Deputy County Attorney
Brian Hushek, Deputy Budget Director
Shelby Scharbach, Deputy Finance Director
Dean Wolcott, Outside Counsel
Tom Manos, Chief Financial Officer
Ross Tate, County Auditor
Tom Irvine, Outside Counsel
Fred Rosenfeld, Outside Counsel
LeeAnn Bohn, Budget Manager

LEGAL ADVICE – ARS §38-431.03(A)(3)

11. Legal advice concerning Board of Supervisors representation and authority to change Restated Declaration of Trust.

Tim Casey, Outside Counsel

RECONVENE IN OPEN SESSION

Chairman Stapley reconvened the Board in open session at 1:00 p.m. with all members remaining in session as given above, to vote on the following items:

DOWNTOWN COUNTY CAMPUS

Item: Discussion and direction regarding the planning for a Citizen's Service Center and a Restorative Justice Center to be included as part of the downtown county campus.

David Smith opened discussion on this matter and reported that pressure was building to construct new space for citizen services because of growth demands and expiring leases for certain County departments and the courts. He suggested that consulting professionals should be hired to study

MARICOPA COUNTY BOARD OF SUPERVISORS MINUTE BOOK

**INFORMAL SESSION
May 15, 2006**

customer service needs and space requirements, to include parking and traffic flow needs, and whether underground or above ground parking would be optimal for the two new buildings that are being planned.

Discussion ensued on several different financial options for construction of the two projects including lease to own vs. building with cash. The Chairman asked that several different options be studied to determine the optimum benefit to the County's budget. Board members asked that they be briefed periodically on the key components of the downtown campus and that presentations be made to keep them abreast of the planning and work as it progresses.

Supervisor Wilcox referenced the building currently under construction indicating that she did not feel it contributed to the campus feel, adding, "We need to look and feel like a campus." She said that the buildings should have a similar design and look. She asked if guidance would be given to the architects on the look and feel of the campus so they would design something the Board would like.

Mr. Smith agreed that it should have a campus "feel" and discussions on the common things that provide such an atmosphere would be held with the professionals that are hired.

Ms. Wilcox advised there would be a need to dual-track the projects for equal progress on all components during construction and she asked that schematics of what is planned be provided to board members periodically.

Mr. Smith concurred and commented that earlier architectural designs had been unsuccessfully completed several times, and this time input from the Board would be requested to involve members from beginning to end so that there are no "surprises" and an acceptable plan would be developed.

Motion was made by Supervisor Kunasek, seconded by Supervisor Brock, and unanimously carried, (5-0) to direct Facilities Management to review various concepts and report back to the Board of Supervisors regarding overall development of the campus, which may include building orientation, parking, road placement, and open spaces in order to provide an integrated plan for the entire campus. (ADM811-012)

APPOINTMENTS – VARIOUS RETIREMENT BOARDS

Motion was made by Supervisor Brock, seconded by Supervisor Kunasek, and unanimously carried (5-0) to appoint Ms. Sara Vannucci to the Attorney Investigator's Public Safety Personnel Retirement Plan Local Board, Parks and Recreation Park Police Public Safety Personnel Retirement Plan Local Board, Sheriff's Public Safety Personnel Retirement Plan Local Board and the Corrections Officer Retirement Plan Local Board as a citizen member. The term of these four appointments will be effective from date of Board approval through December 31, 2009. (C0606069900) (ADM420-001) (ADM3904-001) (ADM3246-001) (ADM3332-001)

REGIONAL SCHOOL DISTRICT #509

Item: The Board of Supervisors, pursuant to its authority granted in A.R.S. §15-1001, will consider for approval vouchers presented by the County School Superintendent of Maricopa County to draw warrants on the County Treasurer against Maricopa County Regional School District #509 School District funds for necessary expenses against the school district and obligations incurred for value received in services as shown in the Vouchers. (ADM3814-003)

The Board of Supervisors may consider ratifying any Maricopa County Regional School District #509 vouchers and/or warrants approved in accordance with the procedures of A.R.S. §15-321 since the last meeting of the Board of Supervisors. The Board of Supervisors may hear staff reports on the vouchers

MARICOPA COUNTY BOARD OF SUPERVISORS MINUTE BOOK

**INFORMAL SESSION
May 15, 2006**

and warrants being considered. The Vouchers are on file in the Maricopa County's Clerk of the Board's office and are retained in accordance with ASLAPR approved retention schedule. (ADM3814-003)

Motion was made by Supervisor Wilson, seconded by Supervisor Brock, and unanimously carried (5-0) regarding action on the following vouchers:

Ratify Voucher No. 123	\$346,626.60
Ratify Voucher No. 780-04272006	\$49,129.35
Ratify Voucher No. 5161	\$60,755.98
Ratify Voucher No. 5162	\$46,359.51

Staff may update the Board of Supervisors on regional schools operations and finances. (ADM3814-005)

Chairman Stapley reported that he had sent a seven-page letter (drafted by the attorneys) to Tom Horne requesting that he notify the school district that there will be no State funding for the next school year and to give the legal reasons the funding will not be continued. He added that he had followed the letter with a phone conversation with Mr. Horne to clear up an area of confusion and to emphasize the urgency to the County to have this done expeditiously. Mr. Horne sent the letter to the Attorney General's Office for review.

AMENDMENT TO RESTATED DECLARATION OF TRUST – CONTINUED

Item: Approve an amendment to the Restated Declaration of Trust for Maricopa County Arizona Self-Insured Trust Fund, as discussed in Executive Session on May 15, 2006. (Addendum A-1)

This item continued to the Formal Board meeting on May 17, 2006.

MEETING ADJOURNED

After discussion on the above items and there being no further business to come before the Board, the meeting was adjourned.

ATTEST:

Don Stapley, Chairman of the Board

Fran McCarroll, Clerk of the Board